EXECUTIVE SUMMARY

One just wants to get a good return on their investments as the investor makes the investment out of the hard-earning income. The stock market is considered one of the most lucrative avenues among the various investment options although it entails more risk. Since the risk in equity investment is very high, the investor needs to carry out equity analysis that will help them to know about the risk and return characteristics of those equity shares and the sectors in which individuals want to invest their money. In this context, a analysis was carried out to examine the selected shareholdings of automotive companies Mahindra & Mahindra limited, TVS Motors, Hero Motors, Eicher Motors, Maruti Suzuki, Bajaj Auto, Ashok Leyland Limited, Bharat Forge Limited, Tata Motors Limited, and Motherson Sumi Systems Limited of Indian stock market.

The Indian automotive industry is one of the largest in the world and ranks among the fastest-growing sectors. Automotive industry equity research study can help potential investors take educated and sound investment decision.

This project is undertaken at AMJ Stock Brokers Pvt. Ltd, Bangalore as a part of MBA program with the objective to study the Performance Evaluation of Selected Equity Shares of Automobile industry traded on India's National Stock Exchange (NSE). The real returns of the chosen automotive shares are correlated with the projected returns in this report. The Security Market Line (SML) check is based on a Capital Asset Pricing Model (CAPM). Rising day the trading price of selected shares for five year period from the year 1st Jan 2015 to 31st Dec 2019 are collected directly from the NSE website. Later Risk and returns are calculated by using CAPM model. To analyze the results the statistical tools like Average price (mean), Beta, Standard Deviation, are used.

In SML risk is analyzed by beta, which shows in what way a share price will affect to change in the market risk. Some companies got negative returns which indicates higher risk factor for the investors to invest in particular share